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approved, and at least part of the proceeds are used by the borrowing nation for expenditures in such home markets for the benefit of the lending nation.

I do not believe that it is generally known in this country to what extent such supervision by the French and German governments, for instance, goes, and as an illustration I would like to cite from memory what happened last year when the Young Turk party wanted to place abroad a loan of the Ottoman Empire. They went to Paris as the cheapest money market, but when they applied to France, the French government, which supervises the listing, or official quotation of securities on the Paris Bourse, wanted to know for what purpose the loan was to be raised, and, if ships, et cetera, were to be bought, whether they were to be bought from the lending nation. The Turkish Finance Minister did not want to submit to any conditions, and according to the newspapers, negotiations were begun with a prominent English financier, who seemed to be willing to make the loan. The French government called the attention of the British government to the so-called *entente cordiale* between France and England, and intimated in a more or less direct way that they would consider English bankers making a loan which France had declined as a rather unfriendly act. The English government thereupon notified the financier and English banks generally that they would not like the loan to Turkey made by them, and it was not made by them. The Turkish government finally obtained the loan from Germany and Austria on terms satisfactory to the governments of these nations.

Now, if such supervision and control of the bankers already exists in time of peace, it does not seem a wide flight of imagination to suggest that the Great Powers might agree to exercise such control in *times of war* between third parties and to maintain in future what, for want of a better term, might be called "financial neutrality." In case two nations went to war without first submitting their grievances and differences to arbitration or judicial settlement at The Hague, why should the other neutral Powers not bind themselves not to assist either of the belligerents financially, but to see to it that real neutrality was observed by their banks and bankers? There is little doubt that this could be done. If no financial assistance could be obtained from the outside, few nations would, in the face of this most effective neutrality of the other Powers, incur the peril of bankruptcy. Some wars would probably not take place at all, and those that could not be avoided would certainly last a much shorter time.

These suggestions may seem Utopian and more difficult of practical accomplishment than they really are. I wish to apologize for the very incomplete manner in which they are presented.

In all financial matters of importance, one should only move slowly and with great caution, but I do believe that in the course of time measures substantially on the lines I have suggested will be approved and demanded by public opinion of the great nations, and will then be carried into effect.

We in the United States are proud of being called a business people. Uninterrupted peace is of more importance to business than the tariff reform, free trade, or

currency reform, or even reciprocity with Canada. It is a business question, and we business men of the United States should insist on international agreements making for peace.

We are indeed fortunate to have at the head of our government a man who, without giving way to false and dangerous sentiment, or ignoring existing conditions, continuing the policy of his predecessor, is courageously leading in this world movement. We should make it *our* business, as it is our duty, to back up President Taft.

NEW YORK, May, 1911.

## America Should Lead the World in Peace.

Address at the Third National Peace Congress,  
Baltimore, May 4th, 1911.

BY HON. RICHARD BARTHOLDT.

It is not so very long ago when those who arranged and attended peace meetings were looked upon as harmless cranks. Today the leading men of the country are vying with each other to lend their presence and voice to such gatherings. To my mind nothing demonstrates more clearly the triumphant force of the ideas which underlie the peace movement. It is true that even today a congress of the picked men of the nation, such as this, is not fully appreciated by all the people. But surely the time is not far distant when the American people will realize that the men who made this congress possible are really human benefactors and that the city of Baltimore, by extending her hospitality to us, has added a proud, if not the proudest, page to her interesting history.

There is something about the peace movement which is a peculiarity of its own. The objects of all great progressive movements of which history tells us—and in our country there has not been one, except the question of the abolition of slavery, which could compare in transcendent importance with the movement to found our peace and the world's peace upon the imperishable rock of law—the objects, I say, of all great movements were either favored or opposed; that is, favored by one side and opposed by the other. The goal, however, toward which the modern advocates of peace strive seems to have the hearty approval of all. Every good man and woman wants to see the country's peace preserved, and even the most incarnate militarist, whose profession is war, does not dare openly to advocate it. This is true to such an extent that modern militarism is actually on the defensive and apologizes for the existence of armaments and for the demands for their increase on the ground that they are necessary, not for the conduct of war, but for the preservation of peace. It appears, therefore, as I said, that as to the ultimate object, namely, the necessity of maintaining peace, we are all in accord, and the only difference of opinion is as to the method of attaining that object, by armaments or by arbitration. The difference, I admit, is a radical and fundamental one, but while the civilized world still clings to the old plan of coercion, intimidation and force through armament, which is plainly a relic of barbarism, evolution points with unerring finger to a new and better method to maintain peace, namely, to a system of international justice through arbitration. And this is the proposition I was invited to discuss.

I assume it to be unnecessary, before an audience as intelligent as this, to dwell on the theory of arbitration and its vast advantages as a method of settling disputes over force and war. Suffice it to say that arbitration, in the accepted sense, means judicial decisions in accordance with recognized principles of justice, while war never has settled, and never will settle, a question of right and wrong. Arbitration is for nations what our courts are for individuals, so that it signifies merely an extension of the reign of law to international relations. Armaments are a preparation for war and often incite war; arbitration is an assurance of peace. War, and the state of preparedness for it, saps the life-blood of the nation, while the machinery of arbitration will not cost as much as the armor plate for a single battleship, and as against the positive loss to civilization caused by the sacrifice of life and treasure, the suffering, the brutalizing effect and the moral damage of war, we find the positive gain, through arbitration, of an increased sense of justice and humaneness and of continued tranquillity, prosperity and peace. Naturally such comparisons are odious to the militarist, but the odium of it is that the human family has not emerged, hundreds of years ago, from the barbarism of the throat-cutting business.

Now, I may be an optimist, but I can hear distinctly the sound of the clock striking the hour of emancipation from the old order of things and the inauguration of the new. Only we must not expect immediate disarmament. The transition must needs be gradual, and for a while the world will continue to maintain its armies and navies, as the new system is put to the test. In considering the practical side of arbitration we find that hundreds of controversies have been peaceably settled by resort to it, but its application heretofore has been a very limited one, the treaties extending only to questions of a judicial nature and expressly exempting all questions of vital interest, independence and honor as well as those concerning third parties. It was left to an American President to propose—and this should swell every American heart with pride—that all questions, without exception, should be subject to arbitration. President Taft has made such a proposition to Great Britain and the latter country is gladly and enthusiastically grasping the outstretched hand. I wonder if the people realize the significance of this act? To my mind, there has not been, since Abraham Lincoln's proclamation of freedom to the slave, a more important step taken on the human stage; and I would not hesitate to brand as an enemy of mankind the man who would dare, from whatever motive, to throw obstacles in the way of our President's great design. Far from being an alliance, the proposed pact does not concern third parties, except as a good example for all civilized nations to emulate; and the two nations, by renouncing the arbitrary power to draw the sword against each other, thus remove the possibility of war and become the mutual beneficiaries of the blessings of perpetual peace under an enlightened system of law and justice. It is a beginning, and who will doubt but that the other great nations will soon be drawn into the circle, attracted by the irresistible magnetism of right and reason? The establishment of the permanent Court of Arbitral Justice, already agreed upon in principle, will follow as a matter of course.

It is proper to ask what the possible objections could

be on the part of any nation to join the British-American agreement. I will tell you. Universal arbitration would render a large part of the world's armaments unnecessary, and some of the great European governments are averse to surrendering any part of their military power. Naturally, they do not say so, but base their objection on the ground that submission to an international court involves the surrender of sovereignty, which they say they are not disposed to make. This objection looks serious when we remember how jealously all monarchical rulers are guarding their sovereign power. Nevertheless I predict that, sooner or later, they will have to make this concession to human progress. Where sovereign power and the true interests of the people conflict, the former is bound to give way, and in this case it would be a sacrifice in the interest of what is, or should be, the highest aim of all governments, namely, the securing of the peace and happiness of the people and the avoidance of the sacrifices for war.

And there is one other consideration which, when advanced by me at the last Interparliamentary Conference at Brussels, was hailed with applause by the six hundred or more delegates present, all of them members of national legislative bodies. It is this: When the great rulers of Europe, in case of a dispute, surrender the arbitrary power of immediately deciding on hostilities, they surely make a sacrifice of authority; but there is, on the other hand, a gain which more than evens up the loss. They become part and parcel of a higher, an international power, which, in a judicial sense, rules the world and sits in judgment on all causes of the nations assenting to the compact. In other words, these sovereigns, in return for whatever authority they yield up to the common good, are made to share in the great world organization created to administer justice between the nations.

Is not this plan patterned after the social order prevailing in civilized society? If every individual claimed the right to assert his sovereignty, there would be anarchy; but, instead, on entering society, he gives up his natural rights, and in return is guaranteed only such liberty of action as will enable his neighbor to enjoy the same liberty, but both enjoy the protection to life, liberty and property guaranteed by the consent of all. As long as a nation remains isolated and alone, its government can exercise unrestricted sovereignty; but the moment it enters into an agreement with another nation, its sovereign authority is circumscribed by the terms of such an agreement. Each government has already bound itself in this manner in many instances consequently it cannot rightfully fall back upon the assertion of its sovereignty as against a proposed compact, more important than all others, one which will insure to the people as an alternative for war the blessings of a lasting peace. It makes no difference whether sovereigns rule by divine right or by the consent of the governed, because the happiness of the people must be their first concern. It is an obligation in the one case moral, in the other actual; but in each case absolutely binding.

There may be objections, too, on the part of some powers to the proposition to arbitrate all disputes, including those heretofore excepted, namely, questions of honor, vital interest and independence. President Taft's courageous position has reminded the world that questions of honor are really the easiest to arbitrate. In the

first place, no nation will intentionally insult another in this day and time; but, furthermore, the conduct of each government toward all other governments is supposed to be honorable, and if it is, it need never fear the judgment of an impartial tribunal. As to the other questions, I would suggest that in all arbitration treaties, even in that between this country and Great Britain, there be inserted a preamble by which the contracting parties proceed to guarantee to each other, at the outset, territorial integrity and absolute sovereignty in domestic affairs. The rest is easy. Such a stipulation would undoubtedly be an incentive for such powers which still entertain scruples against joining the agreement.

The all-absorbing question at this juncture is: Will the United States Senate ratify the Anglo-American agreement? But for past experience it would be an insult to the Senate to ask such a question. It has been suggested that the Senate might insist on being consulted in each particular case that may come up, and consequently deny to the Executive the wholesale authority so essential in such matters. Let us hope that our lawmakers may not take such a stand. If arbitration is to be made possible, it must in each case be resorted to without much delay—that is, before popular passion is aroused. If you allow the apple of discord to be thrown into the arena and by heated discussions in the Senate stir the fighting blood of the people, you render arbitration much more difficult, if not altogether impossible, and the benefit of a peaceable adjustment of a controversy would probably be lost. The Senate, in my judgment, cannot afford to thus nullify and negate the efforts authorized by beneficent laws at maintaining the people's peace. Its constitutional prerogatives are satisfied, it seems, by passing upon the treaty which gives the President the needed authority, and certainly there can be no danger in conferring power which can only be exercised for the benefit and never to the disadvantage of the American people.

As Americans, let us rejoice in President Taft's wise statesmanship and in the great initiative he has just taken, to add a new meaning to our flag and new honor and prestige to this nation. It is a message which will be hailed with joy by all the people of the earth, and reads, "America leads the world in peace."

### Resolutions Adopted by the Third National Peace Congress.

1. Whereas, there is a great and growing sentiment between English-speaking peoples in favor of the settlement of all disputes by means other than war, a sentiment which has found memorable expression in the utterances of President William Howard Taft and of Sir Edward Grey, therefore be it

*Resolved*, That the Congress records its profound appreciation of the attitude and action of President Taft and Sir Edward Grey on this important subject and expresses its firm conviction that, if the proposed treaty is made, the example thus set by Great Britain and the United States will be followed by other nations.

2. *Resolved*, That this Congress notes with satisfaction the zeal and ability with which the Honorable Phi-

lander C. Knox, Secretary of State, has been carrying forward the work initiated by his predecessor looking to the establishment of the International Prize Court and of the International Court of Arbitral Justice. It regards both these institutions as of the highest importance in themselves and urges the earliest possible establishment of the Court of Arbitral Justice by such of the powers as are willing to organize it, leaving it open to the adherence of other powers later on and free of access to them in the meantime.

3. Whereas, the practice of not including within the scope of so-called general arbitration treaties questions which affect the vital interests or the honor of the contracting states and the interests of third parties greatly diminishes the value of such treaties, be it

*Resolved*, That this Congress urges upon the United States Government the importance of formulating an all-inclusive arbitration treaty on the lines of the proposed treaty with Great Britain with a view to its adoption jointly by the leading Powers.

4. Whereas, the treaty relating to pecuniary claims originally adopted by the Second International American Conference, and renewed by the Third and Fourth Conferences, not only definitely binds the High Contracting Parties to submit to arbitration a certain and very large and important class of cases, but does this without making qualifications or exceptions that nullify or tend to nullify the force of the engagement, therefore be it

*Resolved*, That this Congress, following the practical precedent here set, recommends the more general adoption by governments of treaties whereby all claims for pecuniary loss or damage which may be presented by their respective citizens or subjects and which cannot be amicably adjusted through diplomatic channels shall be submitted to The Hague Court.

5. *Resolved*, That the proposed celebration in 1915 of the one hundredth anniversary of peace among English-speaking peoples is viewed by the Congress with satisfaction, the more especially as attention will thus be directed to the happy results of the enlightened statesmanship which has refrained from erecting fortifications along the 3,700 miles of frontier between Canada and the United States and has excluded war vessels from the boundary waters.

6. *Resolved*, That the third National Peace Congress records its satisfaction at the resolution passed by the Congress of the United States calling upon the President of the United States to appoint a commission to investigate and report back to the Government the possibilities of an international understanding with regard to armaments, international co-operation and new institutions calculated to preserve peace, thereby carrying out the wish of the Second National Peace Congress expressed by resolution. The Congress understands this commission to be a purely American commission, not endowed with diplomatic functions, and entertains the conviction that the commission should be appointed at an early day and should begin its labors without regard to the opinion which other Powers may entertain as to possible results.

7. *Resolved*, That this Congress urges the Government of the United States to enter upon negotiations